

SC Department of Probation, Parole & Pardon Services
Summary Response to LAC Audit

LAC Finding:

- Received approximately \$3.8 million in general funds for sentencing reform which agency official's state was used, in part, to hire additional staff. We reviewed agency expenditures and human resources data but did not find an increase in staff. A portion of these funds were used to increase the agency's cash reserve.

PPP Corrective Action:

The agency did fully encumber funding for all of the FTE'S provided through the Sentencing Reform Act of 2010. The Department has announced and filled the 47 positions (36 Agent FTEs and 11 Other FTEs). Unfortunately, the number of staff actually employed at PPP has remained fairly stagnant due to recruitment and retention challenges.

During FY 2011 and 2012, the Department recruited and hired 92 new staff. However, during the same time frame, the Department experienced 86 separations from the Department. This retention issue has a direct bearing on the potential versus realized increase in personnel expenditures during FY 2011 and 2012. In response, PPP initiated multiple study committees in 2012 to identify solutions to the recruitment / retention challenges.

LAC Finding:

- Was not reconciling an agency composite bank account resulting in a \$325,000 fraud that went undetected for two years until discovered by state auditors in 2009.

PPP Corrective Action:

This event occurred approximately five (5) years ago under a previous Department Administration. The agency was a victim of fraud by an offender who used funds from of the agency's Composite Bank Account for personal use. Corrective action was initiated several years ago and the Department resolved this issue by modifying its practices, closing all agency Composite Bank Accounts and subsequently transitioning to the state SCEIS system.

LAC Finding:

- Used over \$20,000 of non-state funds belonging to offenders under agency supervision to offset the fraud loss in the composite bank account. The agency should have returned these funds or turned the money over to the unclaimed property division of the State Treasurer's Office.

PPP Corrective Action:

This event and the corrective actions taken occurred approximately five (5) years ago under a previous Department Administration. The Department did not use offender funds to offset the fraud loss in the Composite Bank Account. The Department still holds the funds owed to all offenders associated with the \$20,901.51 balance. We are in the process of notifying the offenders affected and refund checks will be issued through SCEIS.

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LAC Finding:

- Circumvented state surplus property rules and violated the state procurement code when it loaned, at no cost, 20 agency computers to a church. At present, SCDPPPS has no plans to recover these computers.

PPP Corrective Action:

This event occurred in 2010, under a previous Department Administration. The Department has terminated the MOU with the local church and will retrieve the computers in July 2013.

LAC Finding:

- Has not adhered to standard hiring practices when it hired unqualified applicants, inappropriately handled temporary positions, and required pre-employment photographs.

PPP Corrective Action:

The Department conducted a review with the State Human Resources Division, other state agencies, and the Budget & Control Board's human resources office. The Department's practices for recruitment and hiring of temporary positions are consistent with other State Agency practices. The Department has a standard operating procedures and a paperwork packet for hiring individuals into temporary positions as does the Budget & Control Board's Human Resources office.

State Human Resources Division rules and regulations provide that if an applicant or candidate does not meet the minimum state requirements to qualify for a position; then the Agency can petition for State HRD to approve/deny an equivalency for the training, education or experience that the individual possesses in order to qualify them for that position.

The practice of including a photo in the conditional-offer of employment hire packet was initiated by a previous Department Administration. The Department has terminated this practice.

LAC Finding:

- Used Ignition Interlock Device Program funds to pay for program costs, a purpose not authorized by state law. The agency is also underreporting the revenue and expenditures of the program.

PPP Corrective Action:

The Department is authorized to use the funds for operation of the program pursuant to Section 56-5-2941(Q) of the SC Code of Laws which states: The Department of Probation, Parole and Pardon Services shall develop policies including, but not limited to, the certification, use, maintenance and operation of the ignition interlock devices and the Interlock Device Fund.

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The Department uses the SCEIS system to generate reports on a monthly basis with revenue and expenditure information related to the IID program. In addition, the Department requested a specific fund code to be established to further assist with identifying revenue and expenditures for the program.

LAC Finding:

- Violated the state procurement code by using sole source procurements for items that are readily available from a number of vendors.

PPP Corrective Action:

The Department consistently follows state law when issuing sole source and emergency procurements. The Department reports all sole source and emergency procurements quarterly to the State Procurement Office as required by state law. As a standard practice, the Department sought and will continue to seek guidance from the CIO and the State Procurement Services Division to ensure appropriate procurement process is followed regarding any sole source procurements.

LAC Finding:

- Has non-law enforcement employees in the Police Officers Retirement System even though they may no longer qualify.

PPP Corrective Action:

The Department will continue to comply with the guidelines, practices and recommendations of PEBA. In a letter to the LAC, PEBA states, "The South Carolina Retirement System, and now PEBA, has consistently interpreted the eligibility provisions of PORS to allow certain law enforcement and firefighter supervisory personnel to participate in PORS, even if the day-to-day requirements of their positions are largely administrative in nature."

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